



EAST PROVIDENCE WATERFRONT DISTRICT COMMISSION

Meeting and Public Hearing Minutes July 14, 2014

Attendees: William Fazioli, Vice Chairman
John J. Gregory III
Steven Hardcastle
Paul Moura
Peter Willey

Ex-officio: Michael Walker, RI Commerce Corp.

Staff: Jeanne Boyle, Executive Director
John Pariseault, Legal Counsel
Roberta Groch, AICP- Planner

The meeting was called to order at 6:40PM.

Due to the lack of a quorum, the Commission heard the presentation of the FY13 audit and the staff updates. A quorum, was achieved at 7:12PM, at which time the public hearing was opened and the meeting minutes were approved.

1. Vice Chairman's Opening Remarks

The Vice Chairman mentioned the recent article about the Waterfront District in the *New York Times*.

2. Approval of Meeting Minutes

VOTE: A motion was made to approve the meeting minutes of June 5, 2014: the motion was seconded and approved without discussion.

3. New Business-

A. Public Hearing

Mr. Fazioli opened the public hearing at 7:12PM.

The Commission heard from Kettle Point LLC regarding an amendment to the to the Waterfront Commission's *Tax Increment Financing Plan*, dated July 2008 for public improvements to be included in the medium-density residential project proposed for:

Address: Veteran's Memorial Parkway and Kettle Point Avenue
Assessor's Map 108, Block 2, Parcels 1 & 2;
Map 109, Block 1, Parcels 1, 2, & 3; and
Map 209, Block 3, Parcels 1 & 4.

Ms. Christine Engustion, legal counsel for the project applicant, explained why Kettle Point LLC was before the Commission and introduced Mr. Richard Baccari II, principal of Kettle Point LLC, 10 Greene Street in Providence (the project developer) and Mr. Raymond Lavey, project manager. Mr. Baccari summarized the proposed amendment to the previously-approved tax increment

finance (TIF) agreement with the City of East Providence. Mr. Baccari noted that the first passage of this amendment by the City Council was June 17, 2014 and it was a unanimous vote.

Originally the large signature building was 276 apartments and 136 condos: the amendment to the TIF and overall project will change the sixty-nine proposed luxury condominiums to luxury apartments. This change is market-driven. Sixty-two free-standing condominiums will remain. Phase 1 of the project will include the construction of 108 apartments and the sixty-nine luxury unit building. The luxury unit market is very strong for apartments right now, but the large building can be converted to condominiums, if need be.

The developer seeks TIF bonds in the not-to-exceed amount of \$10,593,000, compared to total project cost of approximately \$78 million of private investment at full build-out in five or six years. Revenues will be pledged in the amount of seventy percent of the tax increment revenue to provide sufficient coverage on the debt service for the bonds, versus the sixty percent originally proposed in 2013. Any portion of the tax increment revenues that is not required for the tax increment financing will be returned to the City each year after the payment of debt service. The cost of the TIF will only cover approximately \$7 million of a total of \$16 million in public improvements; the remaining costs will be paid by the developer. There is no liability to the City if there is a problem with the bond sales: the property owner will be responsible for the debt service if the project does not go forward. Mr. Fazioli noted that Mr. Paul Luba, the City's Financial Advisor, recommended that the amendment be approved.

Ms. Boyle stated that the second hearing of the amendment by the City Council is scheduled for July 15, 2014.

Mr. Fazioli opened up the hearing to the public. Ms. Kim Francis of 714 Veteran's Memorial Parkway in East Providence asked how the mix of housing types will change: Mr. Baccari answered that the two semi-circles with buildings will stay the same. The cost of the condominiums will be from the low- to mid-\$300,000's to the high \$500,000's.

Ms. Valerie Daniels of 756 Veteran's Memorial Parkway asked if the TIF have anything to do with infrastructure: Mr. Fazioli stated that the developer will be an increase in money being spent on public amenities and infrastructure, such as roadways, sewers and open space.

VOTE: The following motion was made by Mr. Hardcastle:

WHEREAS, it is the purpose and intent of the City Council of the CITY OF EAST PROVIDENCE (the "City") to facilitate redevelopment of certain areas within the City to accommodate the City's redevelopment initiatives; and
WHEREAS, pursuant to chapters 31-33 of title 45 of the Rhode Island General Laws, the Redevelopment Act of 1956 (the "Redevelopment Act") and chapter 33.2 of title 45 of the Rhode Island General Laws (the "Tax Increment Financing Act") the City desires to raise funds for such redevelopment by the means of a tax increment financing; and
WHEREAS, the City has established the East Providence Special Waterfront Development District Commission ('Waterfront Commission') to act as its Redevelopment Agency to implement the East Providence Waterfront Special Development District Plan and the East Providence Waterfront Special Development District Tax Increment Financing Plan (the "Project Plan"); and

WHEREAS, the developer, now called Kettle Point LLC, has indicated that, in response to market conditions, it intends to change the numbers of condominiums and luxury apartments in the development; and

WHEREAS, the Waterfront Commission has formulated the Amendment No. 12 to the Project Plan with respect to the Kettle Point project attached hereto as Exhibit A and incorporated herein; and

WHEREAS, the Waterfront Commission has reviewed the proposed Tax Increment Financing Application and amended Project Plan from Kettle Point, LLC; and

WHEREAS, the Waterfront Commission has provided an advisory opinion to the East Providence City Council in its memorandum dated July 14, 2014 attached hereto as Exhibit B and incorporated herein; and

NOW THEREFORE BE IT RESOLVED by the Waterfront Commission, that SECTION 1. The Waterfront Commission hereby approves the Amendment No. 12 to the Project Plan attached hereto as Exhibit A.

SECTION 2. The Waterfront Commission recommends that the City Council adopt and approve the Amendment No. 12 to the Project Plan.

SECTION 3. The Waterfront Commission recommends that the City Council approve the request of Kettle Point LLC for Tax Increment Financing.

SECTION 4. This resolution shall take effect upon passage.

The motion was seconded and passed unanimously, without discussion.

The public hearing was closed at 7:30PM

B. Audit report

Mr. Greg Parisi, accountant with the firm of Baxter Dansereau Associates LLC presented the findings from the FY2012 Waterfront Commission audit. There were no issues or irregularities with either the Commission's audit or the USED A grant Federal audit.

VOTE: A motion was made to approve the Waterfront Commission's FY2013 audit: the motion was seconded and passed unanimously, without discussion.

C. Updates

Ms. Groch reviewed the Waterfront District's proposed FY15 budget and gave an update on the Commission's FY2014 actuals vs. budget. She also updated the Commission on the website redesign Request for Proposals.

4. Staff Report

Ms. Boyle stated that the power line burial from India Point across to East Providence is moving forward and National Grid is undertaking test borings. There will be a meeting scheduled to discuss the use of one of the vacant Tockwotton lots by National Grid. Ms. Boyle also noted that there is an ad for the sale of the Oyster House on Craigslist.

5. Adjournment

VOTE: A motion was made to adjourn the meeting: the motion was seconded and passed unanimously, without discussion.

The meeting was adjourned at 8:30PM.

Respectfully submitted,

JEANNE M. BOYLE
Executive Director

JMB/RG

DRAFT